

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SMARTAC INTERNATIONAL HOLDINGS LIMITED

環球智能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 395)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION OR FORMATION OF A JOINT VENTURE

This announcement is made by Smartac International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep its shareholders and potential investors informed of the latest business development of the Group.

MEMORANDUM OF UNDERSTANDING

The board of directors of the Company (the “**Board**”) is pleased to announce that, on 30 September 2022 (after trading hours), a wholly-owned subsidiary of the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with a potential business partner (the “**Business Partner**”), an independent third party, for (i) a proposed acquisition (the “**Proposed Acquisition**”) of 60% equity interest of the Business Partner through capital injection by the Group; or (ii) a proposed formation of a joint venture company in the PRC (the “**JV Company**”) which will be owned as to 60% by the Group and 40% by the Business Partner (the “**Proposed Company**”).

The Business Partner is a manufacturer of modular energy storage equipment and related products (the “**Energy Storage Products**”) which are predominantly sold and distributed in the People’s Republic of China (“**PRC**”). To the best knowledge, information and belief of the directors of the Company, and having made all reasonable enquiries, the Business Partner and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Pursuant to the MOU, the Group intend to (i) acquire 60% equity interest of the Business Partner by way of capital injection; or (ii) establish the JV Company in the PRC where the equity interest of which would be owned as to 60% by the Group and 40% by the Business Partner.

The Business Partner will grant to the Proposed Company a right to market and sell the Energy Storage Products, which are designed and manufactured by the Business Partner. According to information provided by the Business Partner, the Energy Storage Products have gained market recognition over time and the revenue generated from the sale of the Energy Storage Products has recorded significant increase over recent years and is expected to continuously increase in future.

The Group and the Business Partner intend to enter into a binding agreement in connection with the Proposed Acquisition or formation of the JV Company (the “**Proposed Transaction**”) within 90 days from the date of the MOU. The Group will continue to conduct due diligence review on various respects of the Business Partner and the Energy Storage Products including, among others, the business operations, financial conditions and legal and compliance matters and determine whether or not to proceed with the signing of a binding agreement. Upon the finalisation of the due diligence review, the Company will decide to proceed with the Proposed Transaction either through the Proposed Acquisition or the establishment of the JV Company.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

The Group is principally engaged in the business of online to offline (“**O2O**”) commerce and electronic payment solutions. The Board is of the view that the Proposed Transaction enables the Group, amongst other things, (a) tap into the industry of sale and distribution of the Energy Storage Products which would provide for an expansion of its O2O commerce business in relation to its product mix; (b) scale up its business operations and improve its financial performance; and (c) enhance competitiveness and presence in the fast-growing energy storage market in the PRC taking advantage of (i) the Group’s trading expertise and financial resources; and (ii) the Business Partner’s quality products, proven track record of the Energy Storage Products and customer network.

LISTING RULES IMPLICATION

The MOU only sets out the preliminary framework of the Proposed Transaction and the Proposed Transaction is subject to the execution and completion of a binding agreement. Further announcements will be made by the Company as and when appropriate and in accordance with the Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 and will remain suspended until the Company fulfils the Stock Exchange’s guidance for the resumption of trading in the shares.

By order of the Board of
Smartac International Holdings Limited
Yang Xin Min
Chairman

Hong Kong, 30 September 2022

As at the date of this announcement, the Board comprises (i) three executive directors, Mr. Yang Xin Min (Chairman), Mr. Ke Haiwei (Joint Chief Executive Officer) and Mr. Wong Wai Wai (Joint Chief Executive Officer); and (ii) three independent non-executive directors, Mr. Leung Kwong Choi, Mr. Poon Lai Yin Michael and Mr. Wang Haoxian.